RDS National Conference

July 12, 2005 – July 13, 2005

Wyndham Anatole Hotel

Dallas, Texas

Mark McClellan, MD PhD
Administrator
Centers for Medicare & Medicaid Services

Welcome to the RDS National Conference

- Purpose of the RDS Conference
- Five Easy Steps to Apply for the Retiree Drug Subsidy
- Communications to Beneficiaries

James R. Farris, MD

Dallas Regional Administrator, CMS

RDS National Conference

Regional Welcome

Introduction to the RDS Program

Mark Hamelburg

Director, Employer Policy & Operations Group (EPOG), CMS

Welcome

- Reasons for the Retiree Drug Subsidy
  - Erosion of retiree coverage
  - Financial support for plan sponsors
- Retiree Communication
  - Retirees need to understand employer plan and Medicare prescription drug plan
  - Employers and unions know their plans and retirees best
  - Early and frequent communication to retirees prior to fall of 2005!

Introduction to the RDS Program
David Gardner

Sr. Technical Advisor, Retiree Drug Subsidy (RDS) Operations, EPOG, CMS

- RDS Center rapid implementation
- Vision for the RDS Web Site
- Introduction to the RDS Center team
  - ViPS
  - Group Health Incorporated (GHI)
  - Blue Cross Blue Shield of Arkansas
  - Northrop Grumman Corporation

RDS Application Overview

Jim Mayhew

Technical Advisor, EPOG, CMS

RDS Application Policy Goals

- Keep it simple and least burdensome
- Make it flexible to accommodate the different structures of plan sponsors
- Keep it secured
- Obtain the required information

Application Overview

- Requirements for Application enumerated in 42 CFR §423.884
- Application to be submitted electronically through secured web portal
- One application for each plan
- Seven parts to the application

Part I- General Contact Information

- Plan Sponsor information including name, address, and EIN number
- Names of Account Manager, Authorized Representative and other Application Designees
- Application Designees can assist with any part of the application except for the signing of the Plan Sponsor Agreement (Part VII)

Part II- Qualified Basic Plan Information

- Basic plan information including name of plan and plan year dates
- Benefit Option information
  - Benefit option name
  - Benefit option type
  - Administrator name
  - Election of whether to combine benefit options for the net test

Part II (continued)

- Attesting Actuary contact information including AAA membership number for each benefit option
- Separate actuary information, if needed, for the net value test

Part III- Attestation of Actuarial Equivalence

- For each benefit option, an actuary certifies that it meets the gross value test
- For each benefit options, or for combined options, actuary certifies it meets the net value test

Part IV- Electronic Fund Transfer Information

- Designate plan sponsor point of contact and bank
- Sign authorization for payment into bank account

Part V- Payment Frequency

- Sponsor chooses one of the payment frequency options:

  - Monthly
  - Quarterly
  - Interim Annual
  - Annual

Part VI- Retiree List Submission

- Submit list of qualifying covered retirees either by:

  - Secure File Transfer Protocol

  - Mainframe to Mainframe

  - VDSA

- Retiree list must be updated monthly for additions, changes and deletes

Part VI (continued)

- Retiree list data elements
  - Full Name
  - Date of Birth
  - Sex
  - SSN and/or HIC #
  - Relationship to the participant

Part VII- Plan Sponsor Agreement

- Agreement can only be signed by the Authorized Representative
- Outlines terms and conditions of participation in the RDS program
- Certification of accuracy

Interacting with the RDS Center

Using the RDS Secure Web Site

Pat Ambrose, IT Director, RDS Center

David Gardner, Senior Technical Advisor, EPOG, CMS

John Albert, Technical Advisor, CMS

RDS Secure Web Site Overview

- Primary communication link between Plan Sponsors and the RDS Center
  - Submit applications
  - Submit retiree files, payment requests, appeals
  - Maintain account information
  - Track status of applications and payment
  - Notifications from RDS Center

User Roles

- Authorized Representative (AR) – Business Owner/Officer or Trustee of Plan. Person ultimately responsible for application(s) information. Required to agree/authorize compliance with RDS program requirements.
  - Chooses Account Manager
  - Authorized to perform all functions except establishing initial Plan Sponsor account and signing actuarial attestation
  - Must be employee of Plan Sponsor with authority (CFO, President/CEO, etc.)

User Roles

- Account Manager (AM) – Authorized Representative delegates all account management tasks to this person. Authority to do everything for AR *except* sign the Plan Sponsor Agreement.
  - Establishes Plan Sponsor Account
  - Designates the AR for the Plan Sponsor
  - Manages account and application process
  - For security reasons, AR and AM must be different people
  - May be employee of, or agent for, Plan Sponsor (HR director/manager, consultant, etc.)

User Roles

- Qualified Actuary – Member of the American Academy of Actuaries (AAA). Signs attestation of plan's actuarial equivalence to Part D.
  - Designated on each application
  - When combining benefit options, a Qualified Actuary must attest to the Gross Value of *each* benefit option, and a Qualified Actuary must attest to the Net Value of the combined options
  - When NOT combining benefit options, a Qualified Actuary must attest to *both* the Gross and Net Value of *each* benefit option

User Roles

- Other Designees – Assigned by AR or AM to perform specified functions.
  - Assigned on each application
  - Optional role
  - Assist filling out certain sections of the application
  - May be permitted to request payment, appeals
  - Cannot sign plan sponsor agreement
  - Cannot designate other designees

Registering on the RDS Secure Web Site

Starting the Process

- AR selects an AM
- AM comes to the RDS Center Web Site and requests ID, plan sponsor account, designates AR
- AM and Plan Sponsor validated by RDS Center
- AR receives e-mail to visit the RDS Center Web Site with unique one-time link
- AR comes to RDS Center Web Site for ID
- AR validated by RDS Center
- AM (or AR) begins application

Create New Account Manager ID

- RDS Center Web Site –

  http://rds.cms.hhs.gov
- Click on >> Create a New Account Manager ID >> link

Plan Sponsor Account Registration

- Provide the following:
  - EIN
  - Company Name – as associated with tax filings for EIN (i.e. 1099, returns)
  - Company Address
  - Business Phone Number
  - Select Type of Organization
- Click on Continue Button
- Note "You are here …" for steps

Authorized Representative Information

- Enter the e-mail address for AR
- If AR is already a user of RDS Secure Web Site, click on Accept button

- or -

- Click on Add New button
- Provide the following:
  - AR Full Name
  - AR E-mail Address
- Click on Continue button

Account Manager Personal Information

- Provide the following:
  - Name
  - SSN
  - Date of Birth
  - Job Title
  - Mailing Address
  - Telephone Number
  - E-mail Address
- Read and sign User Agreement
- Click on Continue button

Account Manager Login Page

- Enter user-defined Login ID and Password
- Select 2 security questions and answers
- Click on Continue button

Account Manager Summary Page

- Displays information entered for Plan Sponsor and Account Manager
- Verify information
- Edit as needed
- Click on Submit button

Account Manager Thank You Page

- Displays information submitted for Plan Sponsor and Account Manager
- Next Steps:
  - RDS Center validates Plan Sponsor and Account Manager information
  - RDS Center assigns Plan Sponsor ID and activates the Account Manager Login ID
  - E-mail sent to Account Manager with link back to the RDS Center Web Site – 1 to 2 days after submission
  - E-mail sent to AR to inform him/her of AM registration and invitation to register

Returning to the RDS Secure Web Site

- RDS Center Web Site –
  http://rds.cms.hhs.gov
- Enter Login ID and Password
- Click on Login button
- Account Manager Home Page displays

Account Manager Home Page

- Summary of Plan Sponsor account and application information associated with AM
- To Start an Application
  - Click on Start a New Application link under Account Settings

Submitting an Application

Start a New Application

- Select a Plan Sponsor ID
- Provide the following:
  - Plan Name/Description
  - Plan Start and End Dates
- Click on Continue button

Plan Sponsor Application List

- Select an action for your application
- Click on Go button

Application Status

- Summary of specific application
- Status of completion for each section
- Click on application section links to open and complete

Assign Designee(s)

- Enter the e-mail address for designee
- If designee is already a user of RDS Secure Web Site, click on Accept button

- or –

Assign Designee(s)

- Click on Add New button
- Provide the following:
  - Designee Full Name
  - Designee E-mail Address
  - Enter Pass Phrase
- Assign Permissions
  - Define benefit option
  - Assign actuary
  - Complete EFT
  - Submit Payment information
  - etc.
- Click on Continue button – e-mail with link sent

Designee Registration

- Designee will be presented with this page after following the link via e-mail
- Enter Pass Phrase
- Sign the User Agreement and submit

Designee Personal Information

- Provide the following:
  - Name
  - SSN
  - Date of Birth
  - Job Title
  - Mailing Address
  - Telephone Number
- Click on Continue button

Designee Login Information

- Enter user-defined Login ID and Password
- Select 2 security questions and answers
- Click on Continue button

Designee Summary Page

- Displays information entered for Designee
- Verify information
- Edit as needed
- Click on Submit button

Designee Thank You Page

- Displays information submitted by designee
- Next Steps:
  - RDS Center validates designee and activates designee Login ID
  - E-mail sent to designee with link back to the RDS Center Web Site – 1 to 2 days after submission
  - E-mail sent to AR to inform him/her of designee registration

Designee Home Page

- First page displayed after login to RDS Secure Web Site
- List of applications designee has been assigned

Benefit Option(s)

- Summary page shows options entered thus far
- Click on Option Name link to update
- Click on Add Benefit Option link to add new

Benefit Option(s)

- Provide the following:
  - Benefit Option Name
  - Unique Benefit Option Identifier (e.g. Rx Group Number)
  - Select Benefit Option Type

- Click on Continue button

Assign Actuary(s)

- Select Net Test Option radio button
- If combining Benefit Options for Net Test, then assign Actuary(s) by Benefit Option for Gross Test and an Actuary for overall Net Test
- If not combining options, assign Actuary by benefit option for Gross and Net Test

Add an Actuary

- Provide the following:
  - Full Name of Actuary
  - AAA membership number (obtain from the Actuary)
  - E-mail address

- Click on Continue button

Electronic Funds Transfer (EFT)

- Provide the following:
  - Bank Name
  - Select Account Type
  - Company Name associated with Account
  - Account Number
  - Bank Routing Number
  - Bank Contact Name, Telephone, E-mail
  - Bank Address

- Click on Continue button

Payment Frequency

- Select One
  - Monthly
  - Quarterly
  - Interim Annual
  - Annual

- Payment frequency may not be changed once the application has been submitted and approved by RDS

Retiree List Submission Method

- Select One
  - Upload file via RDS Secure Web Site
  - Send file mainframe to mainframe via AT&T Global Network Services (AGNS)
  - Coordination of Benefits (COB) Voluntary Data Sharing Agreement (VDSA)

Upload via RDS Secure Web Site

- Click here to upload file to secure web site or use Upload Retiree List link
- Login ID and Password required
- Pages will display to guide user through the transfer process

Mainframe to Mainframe via AGNS

- Provide the following:
  - Technical Contact Name
  - E-mail Address
  - Telephone and Fax Number
- RDS Center staff will contact to you for setup
- Existing AGNS Account – setup in 10 days
- New AGNS Account – setup in 45 days

COB VDSA

- New file format available September 1, 2005
- If current VDSA in place, ensure next submission with retiree file is received by application submission deadline
- If new VDSA required, contact the COB Contractor:
  - Cobva@ghimedicare.com
  - http://cms.hhs.gov/medicare/cob
- New agreements will take 60-90 days

Actuary Registration

- If a designated Actuary already has a RDS login ID, s/he will receive an e-mail notification to provide attestation
- If a designated Actuary does not have a RDS login ID, s/he will receive an e-mail invitation to visit the RDS Web Site to obtain one via a secure link

Actuary Registration

- The Actuary will provide:
  - AAA membership number
- Sign the User Agreement
- Click on Continue button

Actuary Personal Information

- The Actuary will provide:
  - Name
  - Title
  - Company Name
  - Telephone Number
  - Mailing Address

- Click on Continue button

Actuary Login Information

- Enter user-defined Login ID and Password
- Select 2 security questions and answers
- Click on Continue button

Actuary Summary Page

- Displays information entered by Actuary
- Verify information
- Edit as needed
- Click on Submit button
- Actuary immediately activated and taken back to RDS Home Page to login

Actuarial Attestation

- Attestation Summary displays
- Options for Gross Value Test and Net Value Test depending on how options are combined in each application
- Read and attest
- Security questions/answers will be required

Application Summary Page

- Review all application information for completeness and accuracy
- Edit/Save as needed
- AR will be notified by e-mail when application is ready for submission

Authorized Representative Registration

- After following the link from e-mail, the AR will be presented with this page
- AR will be presented Plan Sponsor and AM information for verification
- Click on Continue button

Authorized Representative Personal Information

- Provide the following:
  - Full Name
  - SSN
  - Date of Birth
  - Job Title
  - Business Address
  - Telephone Number
- Read and sign User Agreement
- Click on Continue button

Authorized Representative Login Information

- Provide the following:
  - User defined Login ID
  - Password
  - Select 2 Security Questions and Answers

- Click on Continue button

Authorized Representative Summary Page

- Displays information entered for Plan Sponsor and Account Manager
- Verify information
- Edit as needed
- Click on Submit button

Authorized Representative Thank You Page

- Displays information submitted for AR
- Next Steps:
  - RDS Center validates AR personal information
  - RDS Center AR Login ID
  - Confirmation e-mail sent to AR with link back to the RDS Center Web Site – 1 to 2 days after submission

Plan Sponsor Agreement

- Required for each application
- Authorized Representative only
- Read and sign
- Answer security questions to validate signature
- Submit Application for processing by RDS Center
- Application can be submitted prior to Retiree List submission but will be put on hold until file received

Retiree Files

General Information

- A qualifying, covered retiree is considered eligible for the subsidy based on his/her Medicare entitlement
  - Part A entitled or Part B enrolled

    and
  - NOT enrolled in Part D
- An application must have at least one qualifying, covered retiree in order to be approved
- Only one file per application will be accepted
- There must be an Unique Benefit Option Identifier (e.g. Rx Group Number) for each benefit option associated with the plan
- Layouts on the RDS Center Web Site

Upload to RDS Secure Web Site

- Link to File Transfer Facility from RDS Secure Web Site
- Re-authentication with Login ID and password required – AR, AM, or designees granted upload permission
- Access mailbox by plan sponsor and application
- Comma delimited file
- Response and notification files can be downloaded
- E-mails alerts when response and notification files available

Mainframe to Mainframe Via AGNS

- Technical Contact will work with RDS Center staff to set up (5 to 10 days with existing AGNS account, 30 to 45 days without)
- Using Connect: Direct over AGNS
- Response and notification files will be returned the same way
- E-mail alerts when response and notification files sent
- Fixed length flat files for retiree list and response files

Voluntary Data Sharing Agreements (VDSAs)

- Administered by the Medicare Coordination of Benefits (COB) contractor to enable CMS and employers to electronically exchange employee coverage information and Medicare entitlement information on a current basis to dramatically improve coordination of benefits between your Group Health Plan and Medicare

- Will allow employers and insurers to coordinate new Part D benefit and provides alternative method for submission of monthly retiree files to the RDS Center for employers claiming the subsidy

How the VDSA Process Works

- First Process: MSP File - Employer sends active employee coverage information to CMS
- Second Process: Non-MSP File - Employer inactive/retiree coverage information to CMS
- Third Process: Beneficiary Automated Status and Inquiry System (BASIS)

First Process: MSP File

- Employer sends a file to CMS containing coverage information on all active (working) employees aged 55 and over, and their spouses and dependents, for which the employer provides GHP coverage

- CMS checks to see if worker or spouse is a Medicare beneficiary, and if so, builds MSP record. Response file is sent back to Employer with Medicare Entitlement info

Second Process: Non-MSP File

- Every month (or quarter), employer sends file to CMS containing names of inactive (not working) employees or retirees for which the employer:
  - Seeks Medicare entitlement information,
  - Is reporting supplemental drug coverage, information,
  - Is reporting retiree information for the Retiree Drug Subsidy program

More on VDSA to RDS process as part of the Non-MSP file

- Retiree file processing available September 1, 2005. Testing of new VDSA process will begin August 1, 2005
- Fixed length flat files for input and response
- Employers using VDSA will receive same e-mail alerts and notifications that response files were sent from RDS
- Records rejected by RDS because beneficiary is enrolled in Part D will be captured by COB contractor as a supplemental drug coverage reporting record

Third Process: Beneficiary Automated Status and Inquiry System (BASIS)

- Allows users to query Medicare entitlement using dial-up access to the COB contractor
- Responses are usually available within 24-48 hours
- BASIS serves to augment the more efficient electronic data exchange process by allowing users to dial in any day of the year

Benefits of a VDSA

- Benefits are coordinated more timely resulting in better service to your Medicare entitled EGHP subscribers
- Employer no longer has to complete the annual IRS/SSA/CMS Data Match Questionnaires
- Employer expense associated with record retention and retrieval is reduced
- Quarterly/monthly exchange is easier to plan and budget for and start-up and running costs are considerably less than long-term benefits
- No fee charged by CMS for this service

Benefits (continued)

- Fewer Medicare mistaken payments mean that employer expense associated with dispute resolution and administrative follow-ups is reduced

- Employer gains access to Medicare entitlement information so that employer plan doesn’t pay primary for inactive workers or retirees who have Medicare

Summary

- CMS has a standard agreement that contains file layouts and descriptions of the data elements to be exchanged. This process is HIPAA compliant

- Voluntary Data Sharing Agreements present a win-win situation for employers, insurers, providers of health care services and CMS as well as, our mutual customer, the beneficiary

CMS VDSA Contact Information

John Albert
(410) 786-7457
John.Albert@CMS.HHS.GOV

Aaron Wesolowski
(410) 786-7457
Aaron.Wesolowski@CMS.HHS.GOV

Bill Decker
(410) 786-0125
William.Decker@CMS.HHS.GOV

http://CMS.HHS.GOV/Medicare/COB/Employers/emp_home.asp

E-mail: COBVA@GHImedicare.com

Initial Submission

- Include all retirees to be covered by the subsidy during the plan sponsor's plan year
- For plan years ending in 2006, the retiree list must be received by September 30, 2005
- For subsequent plan years, initial retiree lists must be received by RDS with the application 90 days prior to the start of the plan year
- A submitted application will not be processed until the retiree list has been received

Subsequent Monthly Submissions

- Should only include:
  - New retirees not reported to RDS previously
  - Updates to previously accepted retiree records
  - Deletions for previously accepted retiree records
  - Resubmissions
- Submitted monthly based on file transmission method selected on your application

Submitted Data Elements

- Submitted Data Elements (per Retiree)
  - Application ID
  - SSN and/or HICN
  - First Name
  - Middle Initial (optional)
  - Last Name
  - Date of Birth
  - Gender
  - Coverage Effective Date
  - Coverage Termination Date (optional)
  - Unique Benefit Option Identifier (e.g. Rx Group Number)
  - Relationship to Retiree
  - Action Type of Record (Add, Update, or Delete)

Response Data Elements

- Response File Data Elements (per Retiree)
  - Application ID
  - SSN and/or HICN
  - First Name
  - Middle Initial
  - Last Name
  - Date of Birth
  - Gender
  - Coverage Effective Date
  - Coverage Termination Date
  - Unique Benefit Option Identifier (e.g. Rx Group Number)
  - Relationship to Retiree
  - Action Type of Record (Add, Update, or Delete)
  - Subsidy Approval Indicator (Y or N)
  - Reason Code
  - Subsidy Effective Date
  - Subsidy Termination Date

Subsidy Periods

- Response records will indicate actual period(s) for which subsidy can be claimed
- Due to dates for Medicare Part A entitlement, Part B or D enrollment, subsidy period may not cover entire plan year
- Multiple response records indicating valid subsidy periods may be sent per retiree

Notifications

- Same response file layout using reason codes
- Email notification of file for transfer
- Retiree tries to enroll in Part D and initially rejected
  - Outreach/education
  - No change to subsidy period
- Retiree overrides rejection and signs up for Part D
  - Subsidy period terminated as of Part D effective date
- Changes to Retiree Part A entitlement or Part B enrollment
  - Changes to subsidy period dates will be sent for terminations and period shortening
  - Messages to resubmit retiree in other cases

Response File Reason Codes

01 Application did not meet filing deadline
02 Invalid Application ID
03 Invalid Retiree last name
04 Invalid Retiree first name
05 Invalid Retiree date of birth
06 Invalid Retiree gender
07 Invalid Retiree coverage effective date
08 Invalid Retiree coverage termination date
09 Invalid Retiree unique benefit option identifier
10 Enrolled in Part D
11 Not eligible for Medicare
12 Beneficiary is Deceased
13 Invalid HICN or SSN
14 Termination date is less then effective date
15 Missing Trailer record
16 Not a valid Medicare Beneficiary

RDS Application Processing

Behind the Scenes

Application Processing

An application will be reviewed and approved based on the following requirements:

- Plan Sponsor is determined to be a valid entity
- At least one qualifying, covered retiree for which the Plan Sponsor is claiming subsidy is eligible
- Bank Account was validated
- No RDS system users involved in the application process were found to be debarred according the General Services Administration Debarment List or convicted of fraud or abuse per the Office of Inspector General Exclusion List

Application Processing (continued)

In addition:

- Actuary(s) attesting to actuarial equivalence is a qualified member of the American Academy of Actuaries
- Meets timely filing requirements - 90 days prior to the beginning of the plan year unless an extension was granted, or an extension was requested and granted

Other RDS Secure Website Features

RDS Secure Web Site Features

- View Retiree Status
- Request an Application Extension
- Withdraw an Application
- Delete an Application
- Appeal an Application
- Appeal a Retiree Denial
- View Appeal Status

RDS Secure Web Site Features (continued)

- View Notifications
- Change Retiree List Submission Method
- Update Personal Information
- Update Plan Sponsor Information
- Reassign Authorized Representative
- Reassign Account Manager
- Reassign Actuary or Designees
- Contact Us

Retiree Drug Subsidy Customer Service Overview

Carol Guibeault
Assistant Program Director, RDS Center

Frank Davies
RDS Center Trainer

What We Are Here to Do for You As the Customer Service Department

- We have the RDS Public Web Site with updated news and information

- RDS Helpline

RDS Public Web Site

Public Website:

- General RDS program information and links
- General Application process information
- Submit feedback or questions
- Register for events

RDS Public Web Site

- Subscribe to e-news bulletins
- General info about payment process
- Links to CMS
- Fact Sheets

How to Submit a Question

- Any questions about RDS operations may be submitted through the RDS public Web Site

- It is our goal to respond to all submitted questions within 48 hours

Submitting Other Questions

- For questions regarding the law, regulations and guidance papers, go to the the CMS Web Site Employer Page at:
  - http://cms.hhs.gov/medicarereform/pdbma/employer.asp

- Look to see if your question is answered there and in the CMS FAQs first, if not, click on Feedback. Then, click on Site Feedback to submit a question to CMS.

RDS Help Line Overview

RDS Help Line

- Interactive Voice Response Available 24/7
- CSRs available Monday through Friday from 8:00 AM to 6:30 PM Eastern Standard Time
- English and Spanish
- TTY capabilities to assist hearing impaired customers

Interactive Voice Response

Interactive Voice Response (IVR)

is a multi-media, self-service tool that automates an interaction traditionally conducted by contact center agents.

IVR Purpose

- Allows callers to navigate through a series of pre-recorded information about the RDS program
- Outreach event information is updated as new events are added

What Customer Service Representatives Can Do

- Provide general information regarding the RDS program
- Provide information regarding upcoming outreach events
- Answer specific questions regarding the application process

How To Reach Us

- The RDS Help-line can be reached at:

  1-877-RDS-HELP or 1-877-737-4357

- TTY customer service for the hearing impaired can be reached at:

  1-877-RDS-TTY0 or 1-877-737-8890

Commitment To Excellence

- Training Program
- Quality Assurance Program

Training Program

- Goal: Ensure the highest level of service possible through continued training and coaching

- Training is continuous as the RDS program evolves

Quality Assurance Program

- Goal: Continuously improve customer satisfaction through the delivery of high quality customer service

- How: Assess the service delivered by sampling telephonic and e-mail interactions handled by the RDS Customer Service Department

RDS Customer Service is All About You …

“We always give 100% effort to customer service:
12% Monday, 23% Tuesday, 40% Wednesday,
20% Thursday, 5% Friday... ”

Thank You.

The RDS Customer Service Center looks forward to assisting you in the future.